

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:1773
ANSWERED ON:25.07.2002
DECLINE IN FREIGHT MARKET SHARE
UMMAREDDY VENKATESWARLU

Will the Minister of RAILWAYS be pleased to state:

- (a) whether inter-modal freight market share of the railways has decline from 90% in 1950-51 to about 40% today;
- (b) whether most of this traffic is now going on roads;
- (c) whether this has greatly affected the viability of the railways; and
- (d) if so, the steps proposed to be taken to counter this decline in share of inter-modal freight traffic?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA)

(a) to (d) : A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF UNSTARRED QUESTION NO. 1773 BY PROF. UMMAREDDY VENKATESWARLU TO BE ANSWERED IN LOK SABHA ON 25.07.2002 REGARDING DECLINE IN FREIGHT MARKET SHARE

(a) to (d): Although definite data in respect of Railways' share in transportation is not available, it is a fact that the Railways' market share has declined over the years, which has affected the revenue generation of the Railways. However, in absolute terms, freight traffic carried by the Railways has registered a steady growth as would be evident from the figures given below:-

Year Tonnage (in Million Tonnes)	Originating Kilometres (NTKMs in millions)	Net Tonne
1950-51	73.2	37565
1960-61	119.8	72333
1970-71	167.9	110696
1980-81	195.9	147652
1990-91	318.4	235785
2000-01	473.5	312371
2001-02 (Provisional)	492.31	331874

Railways as a means of transport, are most suitable to carry bulk traffic in train loads which is primarily offered by the core sector. Some of the factors for the decline in Railways' market share are:-

- (i) the changing profile of the economy,
- (ii) development of alternative modes of transport like coastal shipping and pipelines,
- (iii) construction of power plants at pitheads ,
- (iv) certain anomalies that have crept into the freight structure.

Railways, being fully conscious of the changing scenario, have been taking initiatives and evolving strategies not only to arrest the decline in market share but to bring about growth in Railways' share in transportation.

Freight Services

Strategy to augment capacity include:-

- De-bottlenecking of the golden quadrilateral and its diagonals, which carry about 65% of the traffic and is saturated.

- Doubling of congested single line sections.
- Strengthening connectivity to Ports.
- Reducing speed differential between passenger and freight trains with introduction of high speed (100 kmph) wagons.
- Progressive production of high horse power locomotives to enable running of freight trains at 100 kmph..
- Introducing improved signalling on saturated sections.
- Strengthening of track infrastructure for introduction of high-speed wagons.

Together with increase in capacity, improvement in quality of service is also seen as an essential component to optimize market share. The initiatives taken in this direction include:-

- Providing complete logistic solutions to clients through private participation in terminal management.
- Reduction of transit time.
- Strengthening of multi-modal infrastructure as international container traffic has been growing rapidly and is expected to grow further in future
- Freight operation information system to ensure on line tracking of cargo. Phase- I (Rake Management System) of the project has been completed and Phase-II on the Terminal Management System is expected to run up by 2003.
- Computerized simulation techniques are being developed as Long Range Decision Support System (LRDSS) to identify capacity constraints and determine specific needs for development of Railway infrastructure.

In addition to above measures, initiative has also been taken to remove certain anomalies that have crept into the freight structure due to ad hoc changes in freight rate.